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RUEHLB/AMEMBASSY BEIRUT PRIORITY 2680
RUEHEG/AMEMBASSY CAIRO PRIORITY 0666
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RHMFIUU/COMSIXTHFLT PRIORITY

UNCLAS TEL AVIV 002592

SIPDIS

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR XOXO
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD
LONDON ALSO FOR HKANONA AND POL
PARIS ALSO FOR POL
ROME FOR MFO

SIPDIS
E.O. 12958: N/A
TAGS: OPRC KMDR IS

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Mideast

Key stories in the media:

Leading media reported that PM Ehud Olmert and PA Chairman [President] Mahmoud Abbas are scheduled to meet in Jerusalem on Tuesday as part of their push toward an "agreement of principles"

ahead of the regional meeting organized under US auspices for November.

Ha'aretz (banner) and other media reported that on Sunday "Y.," the deputy chief of the Shin Bet, told government ministers that the military headquarters of Hamas in Damascus has ordered militants in the West Bank to carry out a major attack inside Israel. Leading media cited a denial by the spokesman of Hamas leader Ismail Haniyeh, but also quoted Hamas leaders as saying that the organization intends to use any means to achieve its aims. Over the weekend, the media reported that the IDF shot and killed four terrorists including two who managed to cross the barrier and enter Israel. On Sunday six unarmed Palestinian youths succeeded in infiltrating Israel.

The Jerusalem Post and Ha'aretz cited a new report by Peace Now that at least six roads or parts of roads are currently being paved in the West Bank for the benefit of settlers at a cost of at least 315 million shekels (around USD 75.4 million). The Jerusalem Post reported that settlers may offer to relocate Migron, the West Bank's largest unauthorized outpost, ahead of a court hearing on a plan to evacuate several of the unrecognized communities.

Maariv quoted the US Department of Defense as saying that as part of an arms deal reached between Israel and the US, Israel will receive USD 650 million worth of missiles. The newspaper also quoted the DOD as saying that Egypt is acquiring 125 Abrams tanks at a cost of USD 847 million.

On Sunday Maariv cited the belief of Israeli security officials that if free elections were to be held in the West Bank, it is very likely that Hamas would defeat Fatah.

The Jerusalem Post reported that Israel and the US plan to maintain a low profile this week in Geneva at the UN pre-planning meeting for a 2009 anti-racism conference that is seen as a follow-up to the one held in Durban in 2001, which "turned into an Israel-bashing fest."

The Jerusalem Post reported that neither Israel nor the American Israel Public Affairs Committee are putting together a proactive campaign to combat the new Stephen Walt-John Mearsheimer book slamming the Israel lobby for allegedly hijacking US foreign policy.

Yediot reported on and printed pictures of the atomic bunker beneath the Judean Hills west of Jerusalem which will serve Israel's leadership. In the past media published reports about the installation. On Sunday Maariv reported that Israeli security officials are examining the possibility of using the Carmel tunnels in Haifa to build enormous shelters deep inside the mountain. The Haifa project is expected to be completed in three years.

The Jerusalem Post reported that Turkish Ambassador to Israel Namik Tan told the newspaper on Sunday that Turkey expects Israel to "deliver" American Jewish organizations and ensure that the US Congress does not pass a resolution characterizing as genocide the massacre of Armenians during World War I. On Sunday Ha'aretz reported that President Shimon Peres assured Turkish PM Recep Tayyip Erdogan last week that Israel has not changed its position on the killing of Armenians during World War I.

Maariv reported that IAF commander Maj. Gen. Eliezer Shkedy has recruited ultra-Orthodox men as air force technicians and that he plans to train ultra-Orthodox as pilots. On Sunday Maariv reported that the relative number of cadets who wear knitted skullcaps (i.e. modern Orthodox) in the last IDF officer training class was approximately 40 percent.

The Jerusalem Post reported that on Sunday Yisrael Beiteinu party leader Avigdor Lieberman rejected calls in Likud for the two parties to run on a joint list in the next general elections. Lieberman was quoted as saying that the obstacles to such an agreement were not personal but ideological.

Israel Radio reported that the government is organizing a temporary shelter for 1,000 Sudanese refugees at the Ketsiot site in the Negev.

On Friday Channel 2-TV broadcast the videotaped testimony of a

platoon commander in custody after being charged with grievous bodily harm -- wounding an unarmed Palestinian -- during an operation in Dahariyeh, south of Hebron. The commander said that he got into trouble because of his desire to carry out his mission.

Ha'aretz and Israel Radio reported that on Sunday Israel allowed 75 Palestinians out of Gaza to resume lives abroad.

Makor Rishon-Hatzofe cited the London-based Ash-Sharq Al-Awsat as saying that a group of Israeli Arabs is mediating between Hamas and Fatah. The Jerusalem Post quoted a senior IDF officer as saying on Sunday that PA security forces in Bethlehem have begun cracking down on Hamas elements in anticipation of an unprecedented flow of tourists into the city.

The Jerusalem Post printed a Jewish Telegraphic Agency wire report that Sen. Barack Obama has told a group of Jewish communal lay leaders that he is receiving advice on Middle East issues from former US envoy to the Middle East, Dennis Ross.

Over the weekend leading media reported that on Friday in Lebanon, former Knesset member Azmi Bishara, accused by Israel of spying for Hizbulah during its war with Israel last summer, praised the organization, saying that it is now stronger than ever.

On Sunday Yediot reported that major leaders from Egypt's business community, including officials from the Ministry of Industry and Trade in Cairo, are threatening to stop visiting Israel because of a series of incidents at Ben-Gurion Airport that delayed their entry into and exit from the country.

Major media printed a paid ad by oligarch Arkady Gaidamak that "every day that [PM Olmert] remains in power, the people of Israel continue to live in peril."

Major media reported that today Israel will send firefighters to Greece.

Mideast:

Summary:

The independent, left-leaning Ha'aretz editorialized: "Every day the outposts remain in place is another day in which every member of the government is abusing his office."

The conservative, independent Jerusalem Post editorialized: "The EU's intervention represented a perfect opportunity for Israel to better explain to the international community what is at stake when Hamas abuses the world's ongoing efforts to help the Palestinians."

The Jerusalem Post editorialized: "UNIFIL can only keep the peace as long as ... deceptive tranquility serves Hizbulah's interests."

Block Quotes:

I. "Outposts and Peace Don't Mix"

The independent, left-leaning Ha'aretz editorialized (8/27): "Aside from the legal problem, the expansion of the settlements, particularly the outposts, clearly contradicts the Prime Minister's talks of peace. What significance could there possibly be to negotiations with the Palestinians on an agreement of principles for ending the occupation if the government is at once holding negotiations with the settlers on legalizing outposts in the very heart of the West Bank? Barak, who also heads the Labor Party, has repeatedly declared that he learned the requisite lessons from his mistakes during his previous term as prime minister and defense minister. But his forgiving attitude toward Israeli lawbreakers in the territories show he is determined to repeat this grave error. Nevertheless, overall responsibility for the failure to implement the decision to evacuate the outposts rests with Prime Minister Ehud Olmert and the government as a whole. Every day the outposts remain in place is another day in which every member of the government is

abusing his office."

II. "The EU Precedent"

The conservative, independent Jerusalem Post editorialized (8/26): "For several days last week many thousands of Gaza residents had to make do without electricity. Had Israel switched off the power -- most of which is generated by Israel -- it is safe to assume that the international community would have been incensed.... The fact that the lights had just then gone out in Gaza was automatically ascribed to the closure of the Nahal Oz [crossing into Israel]. The Hamas-led Gaza regime rushed to make the link.... Yet even as many observers bought into the Israel-to-blame line, Nahal Oz was reopened, but the Gaza blackout persisted. It emerged that the European Union was responsible. EU donors, who foot the bill for Gaza's fuel purchases, accused Hamas of siphoning off the GGC's [Gaza Generating Company] income to finance extraneous activities -- the nature of which it is, unfortunately, not difficult to deduce.... If this brief episode showed anything -- apart from the knee-jerk alacrity to blame Israel for all Palestinian ills -- it is that Hamas is as corrupt as it has accurately and resonantly accused Fatah of being.... The EU's intervention represented a perfect opportunity for Israel to better explain to the international community what is at stake when Hamas abuses the world's ongoing efforts to help the Palestinians. Sooner or later, if the rocket attacks continue and the terror networks flourish, Israel will be left with no choice but to apply such and other penalties to prevent Hamas in Gaza from biting the Israeli hand that helps feed it. Israel would do well to prepare the ground for such moves by drawing world attention to the EU's extraordinary measure, and to the cynical governance by Hamas that prompted it."

III. "Deceptive Calm"

The Jerusalem Post editorialized (8/27): "For better or worse, barring another explosion of conflict, UNIFIL will continue to feature on our northern frontier for at least the next year. Its mandate has just been unanimously extended by the UN Security Council. The resolution extending that mandate hailed UNIFIL for establishing a 'new strategic environment' along the Lebanese border with Israel. But comments from Israel's ambassador to the UN, Dan Gillerman, underlined how far from satisfactory this environment continues to be: Israel's two kidnapped reservists have yet to be returned, weapons are continuing to pour into the Hizbulah armory and Hizbulah gunmen are still deployed in southern Lebanon, albeit less overtly than in the years before last summer's Second Lebanon War. The extension of the mandate does nothing to grapple with those worrying realities. What it does do is perpetuate a dangerous status quo.... An expansion of UNIFIL authority could have countered some of these disturbing realities. But the international community has no desire to crack down on the rampant gunrunning from Syria. The 30 countries participating in UNIFIL do not wish to put their men at greater risk. The bottom line is that UNIFIL can only keep the peace as long as such deceptive tranquility serves Hizbulah's interests. The UN presence in southern Lebanon, unfortunately, is merely marking time to the next showdown."

JONES